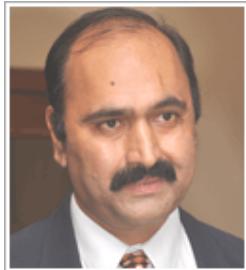


<http://www.indiainfoline.com/Research/LeaderSpeak/V.-Ranganathan,-Managing-Director,-Cerebra-Integrated-Technologies/20539057>

V. Ranganathan, Managing Director, Cerebra Integrated Technologies

Anurag More / 10:08 , Sep 16, 2010



V. Ranganathan, Managing Director, Cerebra Integrated Technologies, is an Engineer from R.V. College of Engineering in Electrical Science. Initially he worked as a Design engineer in Electro systems & Associates for an year, started his own manufacturing and Trading organisation in 1987 under the name and style of Elco Systems, which was a partnership firm involved in manufacturing of various types of personal computers and trading in electronic components catering to the needs of medium and large scale industries in both private and public sector. In the year 1989, he set up a private Limited company, Megatromech Systems Private Limited in electronic city at Bangalore to manufacture various computer peripherals and add-on cards. In the year 1992, he started the present company as a partnership firm under the name 'Integrated Technologies' which was later converted into a public limited company under the name and style of Cerebra Integrated Technologies Limited. As a part of the strategy to cater to the needs of the hardware market and as part of backward integration, he started Monolithic Components and Peripherals during the year 1992 to trade in components and Kranion Technologies Private Limited during the year 1993 to manufacture Motherboards and add-on cards. In the year 1995, he was involved in setting up a software training Institute in Koramangala, Bangalore under the name and style Sri Vidya Education Centre, which was a franchisee of Aptech Limited, one of the leaders in computers education. Monolithic components and peripherals were merged with CEREBRA with effect from 1st April 1997.

Cerebra Integrated Technologies Limited commenced its business in 1992 starting with the Hardware sector and later expanded to provide software services and consulting, and today offers Total IT Solutions. Cerebra serves its customers through branch offices and with over 100 channel partners in India. The System Integration Division (SID) is located in the Peenya Industrial belt of Bangalore with an ultra modern facility. The System Integration Division manufactures Servers, Desktops, Notebooks, Workstations, Kiosks and World-Class servers including Rack-mountable servers and High-end 8 way Intel based servers in a fully antistatic environment. Cerebra a BSE listed IT/ITeS Company started in the year 1992, is a global services provider delivering business solutions that meet the core objectives of our clients. Cerebra, has its manufacturing facility in Peenya and its subsidiary ITeS division in Yeshwanthpur, Bangalore.



Replying to **Anurag More** of **IIFL**, V Ranganathan, says, "We are setting up one of India's largest e-waste facility. We plan to raise capital and a minor dilution may be necessary."

How do you see the IT industry shaping up for FY11?

The Indian IT sector persists to be one of the flourishing sectors of Indian financial system indicating a speedy expansion in the coming years. As per NASSCOM, the Indian IT exports are anticipated to attain US\$175bn by 2020 out of which the domestic sector will account for US\$50bn in earnings.

In total the export and domestic IT sector are expected to attain profits amounting to US\$ 225bn along with new prospects from BRIC nations and Japan for its outsourcing operations.

Adding to this our diversification into the e-Waste recycling industry is another catalyst to our revenues. India generates about 350,000 tonnes of electronic waste every year and imports another 50,000 tonnes & Unorganized sector recycles more than 90% of this e-waste – instead of organizing this sector. With the Cerebra – Cimelia tie up we plan to convert all the unorganised sector as our partners in progress.

Brief us about your product portfolio?

Cerebra offers to its clients the following services;

Legal Process Outsourcing (LPO) At Cerebra LPO, lawyers, paralegal and engineers work together to deliver quality legal services to global clients.

Medical Transcription (MT) Cerebra MT, provides I.T. solutions for physician practices and healthcare organizations. Our products and services are affordable, interoperable, pragmatic, compliant, and secure. We are providing transcription services and solutions to doctors in the United Kingdom and USA.

Electronic Manufacturing Services (EMS) Cerebra EMS, has the state of the art SMT line which caters to manufacturing of electronic assemblies to the global market.

Infrastructure Management (IM) Cerebra, provides comprehensive services to help organizations optimize critical IT staff. Our Infrastructure Management Services offer a complete portfolio of solutions and services for managing enterprise IT infrastructures.

What are the new products on the anvil?

E-Waste Recycling Facility - Cerebra, is setting up one of India's largest e-Waste facility and wants to be one of the leading players in this business, which has huge potential not only in terms of generating huge revenues and profits for the company and its shareholders but also wants to contribute in a big way to the Green environment issues that have taken off worldwide. Cerebra recognizes that it would be a big social responsibility to truly setup a world class e-Waste facility.

How much are you investing in it? How much revenue do you expect from it?

Foreseeing the demand, Cerebra has proactively started building capacity through expansions. Our new state of the art e-Waste Recycling Plant is getting commissioned at Bangalore, in Karnataka which will start its commercial production from October 2011. This will be one of the largest e-Waste recycling projects in India and will have an initial capacity to churn 30000 tonnes of e-Waste.

Our current investment will be about US\$10mn and our targets for the 3rd year ending should be at US\$50mn.

Brief us about your international operation? Any new geography are you planning?

Our IT, ITeS business is from the USA and UK. We are currently in to Legal Support Services, HealthCare Services, Electronic Manufacturing Services and Web Development Services. Our plans for the future is to lay more emphasis on the HealthCare and offer full Revenue Cycle Management Services. Any extensions of Geography will be more on the APC regions and not Europe because of language barriers, though we were in Germany & Holland for quite long and have executed software projects there.

What is the revenue segment in percentage terms in domestic and international business?

Currently very low compared to the EMS and System Integration. The IT, ITeS unit is very young and is about 2 years old now. This should occupy a considerable percentage in the coming years.

What kind of growth do you expect for FY11?

Topline growth of 30% and we plan to beat the benchmark of weighted average PBT margins of the industry this year.

Who are your clients?

Varied from the services we offer, from large PSUs to Government to Private companies are on the list

of esteemed customers of Cerebra System Integration and for the IT, ITeS& EMS services they are all from USA, UK and India.

Any plans to sell stake?

We plan to raise capital and a minor dilution may be necessary. These plans are still on the drawing board.

Your message to the shareholders?

Cerebra is poised for a quantum growth with its new capacity coming into play. We are improving our internal efficiencies and cost optimization to deal with industry constraints. Also, our LPO subsidiary is strong and we have launched value-add services across categories improving margins. We are increasingly focusing on brand building and investing resources into the same. These measures will help us gain market share and contribute to our profitability. Cerebra is investing heavily in future technologies, which will bring value services to Indian market. Margins will improve.